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FOREIGN SERVICE DESPATCH

FROM : AMERICAN EMBASSY, TAIPEI
TO : DEPARTMENT OF STATE
REVIEWED BY : *[Signature]*

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MARCH 4, 1952
DATE

SUBJECT: XDS EXT. DATE
REASON(S): Recent American Policy Toward Formosa

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despatch attempts to summarize United States policy toward Formosa as expressed to date in authoritative official statements and documents.

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DEPARTMENT OF STATE

The assurance that the United States would oppose armed resistance to any Communist attack on Formosa has been the salient fact of American policy toward the island since the outbreak of hostilities in Korea in mid-1950. Since that time, however, practical emphasis has been shifted from simply denying the island to the Chinese Communists, through interposition of the United States Seventh Fleet in the Formosa Strait, to a program of providing large scale military and economic assistance. The immediate purpose of this aid is to increase Formosa's ability to defend and maintain itself, but in the process there results an inevitable and desirable strengthening of the Free World's total power in Asia - military, economic and political.

The major considerations in American policy toward Formosa may be summarized as follows:

(1) The direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area, which would have resulted from the occupation of Formosa by the Communists, necessitated that the United States Seventh Fleet be ordered to prevent such action. As a corollary, an undertaking was obtained from the Chinese Government on Formosa to cease air and sea operations against the mainland of China.

(2) The order to the Seventh Fleet implies no territorial ambitions on the part of the United States and is without prejudice to Formosa's future political status. The United States has taken the position that the determination of the island's future must await the restoration of security in the Pacific and be subject to international agreement.

(3) Emphasis on the connection between warfare in Korea and the "neutralization" of Formosa implied at the outset that

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a settlement in Korea would cause the United States to withdraw the Seventh Fleet's protection from the island and to abandon its neutralization policy toward Formosa.

(4) Subsequent official statements and documents have made clear, however, that an end to warfare in Korea of itself would not result in the withdrawal of United States protection; since keeping Formosa out of Communist hands is an important and continuing objective of American policy in the Pacific. The United States opposes any effort to link questions involving Formosa with those of an armistice in Korea or the exclusion of Communist China from membership in the United Nations.

(5) The United States continues its formal opposition to the resumption of military operations against the Communist-held mainland by the Chinese Government on Formosa, but there is no American commitment which would prevent a modification of that policy to permit the most effective use, under given circumstances, of the military resources on Formosa in opposing Communist aggression in Asia.

The following excerpts from official statements provide the principal source material upon which the above summary has been based; they are numbered to correspond to the five points listed.

K. L. Rankin

Enclosure: *att*

- ✓ 1. Excerpts from official documents.

ENCLOSURE NO. I.

EXCERPTS FROM OFFICIAL STATEMENTS OF AMERICAN POLICY
REGARDING FORMOSA SINCE JUNE 25, 1950.

(1) The President announced on June 27, 1950:

"The attack upon Korea makes it plain beyond all doubt that communism has now passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war.... In these circumstances, the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to the United Forces performing their lawful and necessary functions in that area.

"Accordingly, I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this, I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations."

(2) On June 27, 1950, (see above) and on several subsequent occasions, the President declared that the United States has no territorial ambitions and seeks no special position or privileges with respect to Formosa and that American military action with regard to the island does not affect its future political status.

In his letter of August 27, 1950, to Ambassador Austin, he pointed out:

"The action of the United States was expressly stated to be without prejudice to the future political settlement of the status of the island. The actual status of the island is that it is territory taken from Japan by the victory of the allied forces in the Pacific. Like other such territories, its legal status cannot be fixed until there is international action to determine its future. The Chinese Government was asked by the allies to take the surrender of the Japanese forces on the island. That is the reason the Chinese are there now."

Elucidating the American position before the United Nations General Assembly on September 20, 1950, Secretary Acheson declared:

"It is the belief of my Government that the problem of Formosa and the nearly 8 million people who inhabit it should not be settled by force or by unilateral action. We believe that the

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international community has a legitimate interest and concern in having this matter settled by peaceful means.

"Accordingly, the United States delegation proposes that the General Assembly should direct its attention to the solution of this problem under circumstances in which all concerned and interested parties shall have a full opportunity to express their views, and under which all concerned parties will agree to refrain from the use of force while a peaceful and equitable solution is sought."

A further commitment of the United States to multilateral settlement of the Formosa question was contained in the Truman-Attlee communique of December 8, 1950, which stated, inter alia:

"On the question of Formosa, we have noted that both Chinese claimants have insisted upon the validity of the Cairo Declaration and have expressed reluctance to have the matter considered by the United Nations. We agree that the issues should be settled by peaceful means and in such a way as to safeguard the interests of the people of Formosa and the maintenance of peace and security in the Pacific, and that consideration of this question by the United Nations will contribute to these ends."

The reiterated desire of the United States that the future status of Formosa should be decided through international consultation was most recently manifested by American acceptance in December, 1950, of the United Nations five-point plan for an immediate cease-fire in Korea and a Far Eastern Conference, which had as its fifth principle:

"As soon as agreement has been reached on a cease-fire, the General Assembly shall set up an appropriate body which shall include representatives of the governments of the United Kingdom, United States of America, Union of Soviet Socialist Republics and the People's Republic of China with a view to the achievement of a settlement, in conformity with existing international obligations and the provisions of the United Nations Charter, of Far Eastern problems, including among others, those of Formosa and of representation of China in the United Nations."

Assistant Secretary Dean Rusk in his February 9, 1951, speech at Philadelphia said:

"Turning to another difficult problem, we cannot accept the forcible seizure of Formosa by those who are engaged upon a program of aggression. We shall insist upon a peaceful settlement of that problem by international action."

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With respect to multi-lateral discussions on the question of Formosa Ambassador Ernest A. Griggs, Deputy United States Representative to the United Nations, on January 21, 1951, stated in regard to Far East problems:

"We agreed to discuss the question of Formosa. We have reserved, and we continue to reserve, the right to make certain that the question of Formosa will be handled in a way completely consistent with our national interests and security. We believe that if there are discussions of these matters there should be appropriate participation of directly interested Governments, including the Nationalist Government of China."

(3) The President and other high officials have emphasized that Communist aggression upon the Republic of Korea made necessary the military protection of Formosa and that this was directly connected with United Nations military activities in Korea.

Senator Tom Connally, Chairman of the Senate Committee on Foreign Relations, in a speech before the Senate on September 22, 1950, said:

"Obviously, as long as the war in Korea continues, we must safeguard our flank by neutralizing the island of Formosa. That is the reason the President has ordered the Seventh Fleet to stand by in Formosan waters. However, we must avoid like the plague any unilateral action on our part to solve the problem of what to do with Formosa once the victory in Korea has been won."

At his weekly press conference on August 31, 1950, President Truman was asked if the Seventh Fleet would be withdrawn from the area of Formosa and he replied that if the Korean question were settled there would be no need for retaining the Seventh Fleet in the area.

(4) Keeping Formosa out of Chinese Communist hands appears to be a main objective of present American policy in the Far East.

At the hearings on the Mutual Security Act of 1951 before the Committee on Foreign Relations and the Committee on Armed Services, United States Senate, during July and August 1951, the following statements were made by Griffin (ECA) and Rusk (Dept. of State):

Mr. Griffin: "Formosa is a central point in US policy. It is the island in the island chain that the US Government has determined should not be lost to the Communists."

Mr. Rusk: "Formosa is a special problem. It, itself, is an island

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of very considerable strategic importance. Its strategic importance has been enhanced and underlined by the program of Communist aggression in the Far East.

"On Formosa, I suppose, is the largest remaining reserve of trained, non-Communist Chinese. We think it is important to preserve them in some sort of security.

"We believe that the problem of the military defensibility of Formosa is a special one because it has to be considered in relation to the vast potentiality of the adjacent mainland. It is important that the island be brought to as high a pitch of defensibility as is practical in the present situation.

"Its economic viability is again seriously affected by the heavy military load which the island itself must attempt to carry in the years ahead."

Secretary Acheson in a letter of September 26, 1951, to Senator H. Alexander Smith stated, inter alia:

"...The United States has consistently opposed and continues to oppose...turning Formosa over to Communist China. These policies have and continue to have the full concurrence and support of all branches of the Government.

"...The United States is firmly opposed to any linkage between an armistice in Korea and the questions of Formosa and Chinese representation in the United Nations.

"Finally the policies outlined in the preceding paragraph were fully operative prior to Communist aggression in Korea and we do not, for our part, consider that an armistice in Korea, if such should eventuate, would be cause for modification of these policies."

The Secretary also voiced the hope that the Senator would "help in combatting persistent, but baseless, reports that the United States Government has at one time or another been favorable to recognition of Communist China, seating representatives of Communist China in the United Nations or turning Formosa over to Communist China."

Assistant Secretary of State Dean Rusk in an address on November 5, 1951, at Tacoma, Washington, stated:

"As we turn to Formosa and the problem of China, we observe that there is a wide range of agreement that the island of Formosa should not be allowed to fall into hostile hands for exploitation against the peace of the Pacific, that we should continue to recognize the Nationalist Government of China and support its claim to the Chinese seat in the United Nations, that we should afford military and economic assistance to Formosa to enable it

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to strengthen the military and economic requirements of the island, and that we should encourage measures on the island which will make our assistance as effective as possible."

(5) While resolved that the Chinese Communists shall not seize Formosa, the United States has not changed its policy of militarily neutralizing the island, which policy includes prohibition of Chinese Government operations against the mainland.

At the hearings on the Mutual Security Act of 1951 before the Committee on Foreign Relations and the Committee on Armed Services, United States Senate, during July and August 1951 the following exchange occurred between Secretary Acheson and Senator Brewster:

Senator Brewster: "I think in some of your statements here and in the document that has been furnished us you refer to the defense of Formosa with the assistance of the Seventh Fleet. That implies simply maintaining the status quo, and that is why I would ask you whether or not we would understand that under no circumstances would there be any opportunity for any move upon the mainland if it were deemed expedient."

Secretary Acheson: "There was no intention to imply one way or the other, but I know of no idea at the present time to change the present situation."

Senator Brewster: "The policy was predicated on the Korean episode at the time."

Secretary Acheson: "That is what led to the decision to put in American defensive forces around Formosa."

Senator Brewster: "And a change in the Korean affair might then be a fact to be taken into account, I assume, on the attitude as to the Formosan Government?"

Secretary Acheson: "I know of nothing now which would indicate a change in our present attitude."